

1 AN ACT to amend the Comprehensive Health Insurance Plan 41  
2 Act by changing Sections 2 and 15. 43

3 Be it enacted by the People of the State of Illinois, 47  
4 represented in the General Assembly: 48

5 Section 5. The Comprehensive Health Insurance Plan Act 51  
6 is amended by changing Sections 2 and 15 as follows: 52

7 (215 ILCS 105/2) (from Ch. 73, par. 1302) 55

8 Sec. 2. Definitions. As used in this Act, unless the 57  
9 context otherwise requires: 58

10 "Plan administrator" means the insurer or third party 61  
11 administrator designated under Section 5 of this Act. 62

12 "Benefits plan" means the coverage to be offered by the 64  
13 Plan to eligible persons and federally eligible individuals 65  
14 pursuant to this Act.

15 "Board" means the Illinois Comprehensive Health Insurance 67  
16 Board.

17 "Church plan" has the same meaning given that term in the 69  
18 federal Health Insurance Portability and Accountability Act 71  
19 of 1996.

20 "Continuation coverage" means continuation of coverage 73  
21 under a group health plan or other health insurance coverage 74  
22 for former employees or dependents of former employees that 75  
23 would otherwise have terminated under the terms of that  
24 coverage pursuant to any continuation provisions under 76  
25 federal or State law, including the Consolidated Omnibus 77  
26 Budget Reconciliation Act of 1985 (COBRA), as amended, 78  
27 Sections 367.2 and 367e of the Illinois Insurance Code, or  
28 any other similar requirement in another State. 79

29 "Covered person" means a person who is and continues to 81  
30 remain eligible for Plan coverage and is covered under one of 82  
31 the benefit plans offered by the Plan. 83

Clerk of the House

Originated in the House of Representatives

PUBLIC ACT 92-153

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1 "Creditable coverage" means, with respect to a federally 85  
2 eligible individual, coverage of the individual under any of 86  
3 the following:  
4 (A) A group health plan. 88  
5 (B) Health insurance coverage (including group 90  
6 health insurance coverage).  
7 (C) Medicare. 92  
8 (D) Medical assistance. 94  
9 (E) Chapter 55 of title 10, United States Code. 96  
10 (F) A medical care program of the Indian Health 98  
11 Service or of a tribal organization. 99  
12 (G) A state health benefits risk pool. 101  
13 (H) A health plan offered under Chapter 89 of title 103  
14 5, United States Code.  
15 (I) A public health plan (as defined in regulations 105  
16 consistent with Section 104 of the Health Care 107  
17 Portability and Accountability Act of 1996 that may be  
18 promulgated by the Secretary of the U.S. Department of 108  
19 Health and Human Services). 109  
20 (J) A health benefit plan under Section 5(e) of the 111  
21 Peace Corps Act (22 U.S.C. 2504(e)). 112  
22 (K) Any other qualifying coverage required by the 114  
23 federal Health Insurance Portability and Accountability 115  
24 Act of 1996, as it may be amended, or regulations under 116  
25 that Act. 117  
26 "Creditable coverage" does not include coverage 119  
27 consisting solely of coverage of excepted benefits, ~~as~~ 120  
28 defined in Section 2791(c) of title XXVII of the Public 122  
29 Health Service Act (42 U.S.C. 300 gg-91), nor does it include  
30 any period of coverage under any of items (A) through (K) 124  
31 that occurred before a break of more than 90 63 days during 126  
32 all of which the individual was not covered under any of 127  
33 items (A) through (K) above. Any period that an individual 129  
34 is in a waiting period for any coverage under a group health 130

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1 plan (or for group health insurance coverage) or is in an 131  
2 affiliation period under the terms of health insurance  
3 coverage offered by a health maintenance organization shall 132  
4 not be taken into account in determining if there has been a 133  
5 break of more than 90 63 days in any creditable ~~credible~~ 135  
6 coverage.

7 "Department" means the Illinois Department of Insurance. 137

8 "Dependent" means an Illinois resident: who is a spouse; 139  
9 or who is claimed as a dependent by the principal insured for 140  
10 purposes of filing a federal income tax return and resides in 141  
11 the principal insured's household, and is a resident  
12 unmarried child under the age of 19 years; or who is an 142  
13 unmarried child who also is a full-time student under the age 143  
14 of 23 years and who is financially dependent upon the 144  
15 principal insured; or who is a child of any age and who is  
16 disabled and financially dependent upon the principal 146  
17 insured.

18 "Direct Illinois premiums" means, for Illinois business, 148  
19 an insurer's direct premium income for the kinds of business 149  
20 described in clause (b) of Class 1 or clause (a) of Class 2 150  
21 of Section 4 of the Illinois Insurance Code, and direct  
22 premium income of a health maintenance organization or a 151  
23 voluntary health services plan, except it shall not include 152  
24 credit health insurance as defined in Article IX 1/2 of the 153  
25 Illinois Insurance Code.

26 "Director" means the Director of the Illinois Department 155  
27 of Insurance.

28 "Eligible person" means a resident of this State who 157  
29 qualifies for Plan coverage under Section 7 of this Act. 158

30 "Employee" means a resident of this State who is employed 160  
31 by an employer or has entered into the employment of or works 162  
32 under contract or service of an employer including the 163  
33 officers, managers and employees of subsidiary or affiliated  
34 corporations and the individual proprietors, partners and 164

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1 employees of affiliated individuals and firms when the 165  
2 business of the subsidiary or affiliated corporations, firms 166  
3 or individuals is controlled by a common employer through 167  
4 stock ownership, contract, or otherwise.

5 "Employer" means any individual, partnership, 169  
6 association, corporation, business trust, or any person or 170  
7 group of persons acting directly or indirectly in the 171  
8 interest of an employer in relation to an employee, for which  
9 one or more persons is gainfully employed. 173

10 "Family" coverage means the coverage provided by the Plan 175  
11 for the covered person and his or her eligible dependents who 176  
12 also are covered persons. 177

13 "Federally eligible individual" means an individual 179  
14 resident of this State:

15 (1)(A) for whom, as of the date on which the 181  
16 individual seeks Plan coverage under Section 15 of this 183  
17 Act, the aggregate of the periods of creditable coverage 184  
18 is 18 or more months, and (B) whose most recent prior  
19 creditable coverage was under group health insurance 185  
20 coverage offered by a health insurance issuer, a group 186  
21 health plan, a governmental plan, or a church plan (or 187  
22 health insurance coverage offered in connection with any 188  
23 such plans) or any other type of creditable coverage that 189  
24 may be required by the federal Health Insurance 190  
25 Portability and Accountability Act of 1996, as it may be 191  
26 amended, or the regulations under that Act; 192

27 (2) who is not eligible for coverage under (A) a 194  
28 group health plan, (B) part A or part B of Medicare due 196  
29 to age, or (C) medical assistance, and does not have 197  
30 other health insurance coverage; 198

31 (3) with respect to whom the most recent coverage 200  
32 within the coverage period described in paragraph (1)(A) 202  
33 of this definition was not terminated based upon a factor 203  
34 relating to nonpayment of premiums or fraud;

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1 (4) if the individual had been offered the option 205  
2 of continuation coverage under a COBRA continuation 207  
3 provision or under a similar State program, who elected 208  
4 such coverage; and  
5 (5) who, if the individual elected such 210  
6 continuation coverage, has exhausted such continuation 212  
7 coverage under such provision or program.  
8 "Group health insurance coverage" means, in connection 214  
9 with a group health plan, health insurance coverage offered 215  
10 in connection with that plan.  
11 "Group health plan" has the same meaning given that term 217  
12 in the federal Health Insurance Portability and 219  
13 Accountability Act of 1996.  
14 "Governmental plan" has the same meaning given that term 221  
15 in the federal Health Insurance Portability and 223  
16 Accountability Act of 1996.  
17 "Health insurance coverage" means benefits consisting of 225  
18 medical care (provided directly, through insurance or 226  
19 reimbursement, or otherwise and including items and services 227  
20 paid for as medical care) under any hospital and medical 228  
21 expense-incurred policy, certificate, or contract provided by 230  
22 an insurer, non-profit health care service plan contract, 231  
23 health maintenance organization or other subscriber contract,  
24 or any other health care plan or arrangement that pays for or 232  
25 furnishes medical or health care services whether by 233  
26 insurance or otherwise. Health insurance coverage shall not 234  
27 include short term, accident only, disability income, 237  
28 hospital confinement or fixed indemnity, dental only, vision 238  
29 only, limited benefit, or credit insurance, coverage issued 239  
30 as a supplement to liability insurance, insurance arising out 240  
31 of a workers' compensation or similar law, automobile  
32 medical-payment insurance, or insurance under which benefits 241  
33 are payable with or without regard to fault and which is 242  
34 statutorily required to be contained in any liability 243

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1 insurance policy or equivalent self-insurance.

2 "Health insurance issuer" means an insurance company, 245  
3 insurance service, or insurance organization (including a 246  
4 health maintenance organization and a voluntary health 247  
5 services plan) that is authorized to transact health  
6 insurance business in this State. Such term does not include 249  
7 a group health plan.

8 "Health Maintenance Organization" means an organization 251  
9 as defined in the Health Maintenance Organization Act. 252

10 "Hospice" means a program as defined in and licensed 254  
11 under the Hospice Program Licensing Act. 255

12 "Hospital" means a duly licensed institution as defined 257  
13 in the Hospital Licensing Act, an institution that meets all 259  
14 comparable conditions and requirements in effect in the state 260  
15 in which it is located, or the University of Illinois  
16 Hospital as defined in the University of Illinois Hospital 261  
17 Act.

18 "Individual health insurance coverage" means health 263  
19 insurance coverage offered to individuals in the individual 264  
20 market, but does not include short-term, limited-duration 265  
21 insurance.

22 "Insured" means any individual resident of this State who 267  
23 is eligible to receive benefits from any insurer (including 268  
24 health insurance coverage offered in connection with a group 269  
25 health plan) or health insurance issuer as defined in this 271  
26 Section.

27 "Insurer" means any insurance company authorized to 273  
28 transact health insurance business in this State and any 274  
29 corporation that provides medical services and is organized 275  
30 under the Voluntary Health Services Plans Act or the Health 276  
31 Maintenance Organization Act. 277

32 "Medical assistance" means the State medical assistance 279  
33 or medical assistance no grant (MANG) programs provided under 280  
34 Title XIX of the Social Security Act and Articles V (Medical 282

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1 Assistance) and VI (General Assistance) of the Illinois  
2 Public Aid Code (or any successor program) or under any 283  
3 similar program of health care benefits in a state other than 284  
4 Illinois.

5 "Medically necessary" means that a service, drug, or 286  
6 supply is necessary and appropriate for the diagnosis or 287  
7 treatment of an illness or injury in accord with generally 288  
8 accepted standards of medical practice at the time the 289  
9 service, drug, or supply is provided. When specifically  
10 applied to a confinement it further means that the diagnosis 290  
11 or treatment of the covered person's medical symptoms or 291  
12 condition cannot be safely provided to that person as an 293  
13 outpatient. A service, drug, or supply shall not be medically 294  
14 necessary if it: (i) is investigational, experimental, or for 295  
15 research purposes; or (ii) is provided solely for the  
16 convenience of the patient, the patient's family, physician, 296  
17 hospital, or any other provider; or (iii) exceeds in scope, 297  
18 duration, or intensity that level of care that is needed to 298  
19 provide safe, adequate, and appropriate diagnosis or  
20 treatment; or (iv) could have been omitted without adversely 299  
21 affecting the covered person's condition or the quality of 300  
22 medical care; or (v) involves the use of a medical device, 302  
23 drug, or substance not formally approved by the United States 303  
24 Food and Drug Administration.

25 "Medical care" means the ordinary and usual professional 305  
26 services rendered by a physician or other specified provider 306  
27 during a professional visit for treatment of an illness or 307  
28 injury.

29 "Medicare" means coverage under both Part A and Part B of 309  
30 Title XVIII of the Social Security Act, 42 U.S.C. Sec. 1395, 311  
31 et seq.

32 "Minimum premium plan" means an arrangement whereby a 313  
33 specified amount of health care claims is self-funded, but 314  
34 the insurance company assumes the risk that claims will 315

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1 exceed that amount.

2 "Participating transplant center" means a hospital 317  
3 designated by the Board as a preferred or exclusive provider 318  
4 of services for one or more specified human organ or tissue 319  
5 transplants for which the hospital has signed an agreement 320  
6 with the Board to accept a transplant payment allowance for 321  
7 all expenses related to the transplant during a transplant  
8 benefit period.

9 "Physician" means a person licensed to practice medicine 323  
10 pursuant to the Medical Practice Act of 1987. 324

11 "Plan" means the Comprehensive Health Insurance Plan 326  
12 established by this Act. 327

13 "Plan of operation" means the plan of operation of the 329  
14 Plan, including articles, bylaws and operating rules, adopted 330  
15 by the board pursuant to this Act. 331

16 "Provider" means any hospital, skilled nursing facility, 333  
17 hospice, home health agency, physician, registered pharmacist 334  
18 acting within the scope of that registration, or any other 335  
19 person or entity licensed in Illinois to furnish medical 336  
20 care.

21 "Qualified high risk pool" has the same meaning given 338  
22 that term in the federal Health Insurance Portability and 340  
23 Accountability Act of 1996.

24 "Resident" means a person who is and continues to be 342  
25 legally domiciled and physically residing on a permanent and 343  
26 full-time basis in a place of permanent habitation in this 345  
27 State that remains that person's principal residence and from 346  
28 which that person is absent only for temporary or transitory 347  
29 purpose.

30 "Skilled nursing facility" means a facility or that 349  
31 portion of a facility that is licensed by the Illinois 350  
32 Department of Public Health under the Nursing Home Care Act 351  
33 or a comparable licensing authority in another state to 352  
34 provide skilled nursing care.

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1 "Stop-loss coverage" means an arrangement whereby an 354  
2 insurer insures against the risk that any one claim will 355  
3 exceed a specific dollar amount or that the entire loss of a 356  
4 self-insurance plan will exceed a specific amount. 357

5 "Third party administrator" means an administrator as 359  
6 defined in Section 511.101 of the Illinois Insurance Code who 360  
7 is licensed under Article XXXI 1/4 of that Code. 361

8 (Source: P.A. 90-30, eff. 7-1-97; 91-357, eff. 7-29-99; 363  
9 91-735, eff. 6-2-00.) 364

10 (215 ILCS 105/15) 367

11 Sec. 15. Alternative portable coverage for federally 369  
12 eligible individuals.

13 (a) Notwithstanding the requirements of subsection a. of 371  
14 Section 7, any federally eligible individual for whom a Plan 372  
15 application, and such enclosures and supporting documentation 373  
16 as the Board may require, is received by the Board within 90 374  
17 63 days after the termination of prior creditable coverage 376  
18 shall qualify to enroll in the Plan under the portability 377  
19 provisions of this Section.

20 (b) Any federally eligible individual seeking Plan 379  
21 coverage under this Section must submit with his or her 380  
22 application evidence, including acceptable written 381  
23 certification of previous creditable coverage, that will  
24 establish to the Board's satisfaction, that he or she meets 382  
25 all of the requirements to be a federally eligible individual 383  
26 and is currently and permanently residing in this State (as 384  
27 of the date his or her application was received by the 385  
28 Board).

29 (c) A period of creditable coverage shall not be 387  
30 counted, with respect to qualifying an applicant for Plan 388  
31 coverage as a federally eligible individual under this 389  
32 Section, if after such period and before the application for  
33 Plan coverage was received by the Board, there was at least a 390

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1 90 63 day period during all of which the individual was not 392  
2 covered under any creditable coverage.

3 (d) Any federally eligible individual who the Board 394  
4 determines qualifies for Plan coverage under this Section 395  
5 shall be offered his or her choice of enrolling in one of 396  
6 alternative portability health benefit plans which the Board 397  
7 is authorized under this Section to establish for these 398  
8 federally eligible individuals and their dependents. 400

9 (e) The Board shall offer a choice of health care 402  
10 coverages consistent with major medical coverage under the 403  
11 alternative health benefit plans authorized by this Section 404  
12 to every federally eligible individual. The coverages to be 405  
13 offered under the plans, the schedule of benefits, 406  
14 deductibles, co-payments, exclusions, and other limitations  
15 shall be approved by the Board. One optional form of 407  
16 coverage shall be comparable to comprehensive health 408  
17 insurance coverage offered in the individual market in this 409  
18 State or a standard option of coverage available under the  
19 group or individual health insurance laws of the State. The 410  
20 standard benefit plan that is authorized by Section 8 of this 412  
21 Act may be used for this purpose. The Board may also offer a 413  
22 preferred provider option and such other options as the Board  
23 determines may be appropriate for these federally eligible 414  
24 individuals who qualify for Plan coverage pursuant to this 415  
25 Section.

26 (f) Notwithstanding the requirements of subsection f. of 417  
27 Section 8, any plan coverage that is issued to federally 419  
28 eligible individuals who qualify for the Plan pursuant to the 421  
29 portability provisions of this Section shall not be subject  
30 to any preexisting conditions exclusion, waiting period, or 422  
31 other similar limitation on coverage. 424

32 (g) Federally eligible individuals who qualify and 426  
33 enroll in the Plan pursuant to this Section shall be required 428  
34 to pay such premium rates as the Board shall establish and 429

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1 approve in accordance with the requirements of Section 7.1 of  
2 this Act. 430  
3 (h) A federally eligible individual who qualifies and 432  
4 enrolls in the Plan pursuant to this Section must satisfy on 433  
5 an ongoing basis all of the other eligibility requirements of 434  
6 this Act to the extent not inconsistent with the federal 435  
7 Health Insurance Portability and Accountability Act of 1996  
8 in order to maintain continued eligibility for coverage under 437  
9 the Plan.  
10 (Source: P.A. 90-30, eff. 7-1-97.) 439  
11 Section 99. Effective date. This Act takes effect upon 442  
12 becoming law.

Michael J. Madigan  
Speaker, House of Representatives

J. Philip  
President of the Senate

APPROVED

this 25<sup>th</sup> day of July, 20 01 A.D.,

George H. Ryan  
GOVERNOR

